

**Commonwealth of Kentucky
Environmental and Public Protection Cabinet
Department for Environmental Protection
Division for Air Quality
803 Schenkel Lane
Frankfort, Kentucky 40601
(502) 573-3382**

**AIR QUALITY PERMIT
Issued under 401 KAR 52:040**

Permittee Name: NPR Manufacturing Kentucky, Inc.

Mailing Address: NPR Manufacturing Kentucky, Inc.
% Smith Management Group
1405 Mercer Road
Lexington, KY 40511

Source Name: NPR Manufacturing Kentucky, Inc.
Mailing Address: Same as above

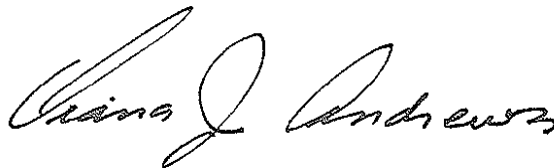
Source Location: 680 Wilson Parkway
Bardstown, KY 40004

Permit Number: S-06-115
Source A. I. #: 80377
Activity #: APE20060001
Review Type: State Origin Permit, New Construction
Source ID #: 21-179-00060

Regional Office: Frankfort Region
643 Teton Trail, STE B
Frankfort, KY 40601-1758
(502) 564-5043
Fax: (502) 564-5043

County: Nelson

Application
Complete Date: July 21, 2006
Issuance Date: August 16, 2006
Revision Date:
Expiration Date: August 16, 2016



**John S. Lyons, Director
Division for Air Quality**

SECTION A - PERMIT AUTHORIZATION

Pursuant to a duly submitted application the Kentucky Division for Air Quality hereby authorizes the construction and operation of the equipment described herein in accordance with the terms and conditions of this permit. This permit has been issued under the provisions of Kentucky Revised Statutes Chapter 224 and regulations promulgated pursuant thereto.

The permittee shall not construct, reconstruct, or modify any affected facilities without first submitting a complete application and receiving a permit for the planned activity from the permitting authority, except as provided in this permit or in 401 KAR 52:040, State-origin permits.

Issuance of this permit does not relieve the permittee from the responsibility of obtaining other permits, licenses, or approvals that may be required by the Cabinet or other federal, state, or local agencies.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS

01	EP-8F	BFLP (1)
02	EP-18F	BFLP (2)
03	EP-2P	Coil Cutting-Off

Description:

1. BFLP (1), 8 Lathe machines (perform grinding operation)
Capacity for each machine: 24.8 lb/hr
Hourly Operating Rate for 8 machines: 198.4 lb/hr
Construction Date: August 2006
Control Device: Dust Collector (Attached with the equipment)
2. BFLP (2), 5 Lathe machines (perform grinding operation),
Capacity for each machine: 43.5lb/hr each
Hourly Operating Rate for 5 machines: 217.5 lb/hr
Construction Date: August 2006
Control Device: Dust Collector (Attached with the equipment)
3. Coil Cutting-Off, 6 machines (perform cutting operation)
Capacity for each machine: 95.5 lb/hr
Hourly Operating Rate for 6 machines: 573.0 lb/hr
Construction Date: August 2006
Control Device: Dust Collector

Applicable Regulations:

401 KAR 59:010 applies to each of the emission points (1,2, and 3) above.

1. Operating Limitations:

None

2. Emission Limitations:

- a. Pursuant to 401 KAR 59:010 Section 3(1), visible emissions from trimming operation shall not equal or exceed 20 percent opacity.

Compliance demonstration: The permittee shall demonstrate compliance through monitoring and maintenance of the records as specified in Specific Monitoring Requirements, and Recordkeeping Requirements respectively.

- b. Pursuant to 401 KAR 59:010 Section 3(2), particulate emissions shall not exceed 2.34 lb/hr.

SECTION B - EMISSION POINTS, EMISSIONS UNITS, APPLICABLE REGULATIONS, AND OPERATING CONDITIONS (CONTINUED)

Compliance demonstration: The process weight shall be determined in hourly tons by averaging the monthly process weight rate over monthly hours of operation. Particulate emissions shall be calculated by the following equation:

$$E = P \cdot EF$$

Where E is particulate emissions in lbs/hr, P is monthly averaged process weight in tons/hr and EF is the KYEIS particulate emission factor in lbs/ton of process weight.

3. Testing Requirements:

None

4. Monitoring Requirements:

- a. The permittee shall perform a qualitative visual observation of the opacity of emissions from the stack on a weekly basis and maintain a log of the observations. If visible emissions from the stack are seen (not including condensed water vapor within the plume), then the opacity shall be determined by Reference Method 9. If emissions are in excess of the applicable opacity limit, then an inspection shall be initiated of control equipment for any necessary repairs.
- b. The permittee shall monitor the metal coil rings usage rate and hours of operation on a monthly basis for each of the emission units.

5. Recordkeeping Requirements:

The permittee shall retain records of the following when the unit is in operation:

- a. Records of monthly material processed in tons and monthly hours of operation.
- b. Weekly qualitative opacity readings from the stack or vent and by Reference Method 9 readings, if any were taken; and
- c. Repairs that were made due to any opacity reading that exceeded the standard.

6. Reporting Requirements:

See General Conditions Section C (3).

SECTION C - GENERAL CONDITIONS

A. Administrative Requirements

1. The permittee shall comply with all conditions of this permit. Noncompliance shall be a violation of 401 KAR 52:040, Section 3(1)(b) and is grounds for enforcement action including but not limited to the termination, revocation and reissuance, or revision of this permit.
2. This permit shall remain in effect for a fixed term of ten (10) years following the original date of issue. Permit expiration shall terminate the source's right to operate unless a timely and complete renewal application has been submitted to the Division at least six months prior to the expiration date of the permit. Upon a timely and complete submittal, the authorization to operate within the terms and conditions of this permit, including any permit shield, shall remain in effect beyond the expiration date, until the renewal permit is issued or denied by the Division. [401 KAR 52:040, Section 15]
3. Any condition or portion of this permit which becomes suspended or is ruled invalid as a result of any legal or other action shall not invalidate any other portion or condition of this permit [Material incorporated by reference by 401 KAR 52:040, Section 1a, 11].
4. Pursuant to materials incorporated by reference by 401 KAR 52:040, this permit may be revised, revoked, reopened, reissued, or terminated for cause. The filing of a request by the permittee for any permit revision, revocation, reissuance, or termination, or of a notification of a planned change or anticipated noncompliance shall not stay any permit condition [Material incorporated by reference by 401 KAR 52:040, Section 1a, 4,5].
5. This permit does not convey property rights or exclusive privileges [Material incorporated by reference by 401 KAR 52:040, Section 1a, 8].
6. Nothing in this permit shall alter or affect the liability of the permittee for any violation of applicable requirements prior to or at the time of permit issuance [401 KAR 52:040 Section 11(3)].

B. Recordkeeping Requirements

1. Records of all required monitoring data and support information, including calibrations, maintenance records, and original strip chart recordings, and copies of all reports required by the Division for Air Quality, shall be retained by the permittee for a period of at least five years and shall be made available for inspection upon request by any duly authorized representative of the Division for Air Quality [401 KAR 52:040 Section 3(1)(f)].
2. The permittee shall perform compliance certification and recordkeeping sufficient to assure compliance with the terms and conditions of the permit. Documents, including reports, shall be certified by a responsible official pursuant to 401 KAR 52:040, Section 21.

SECTION C - GENERAL CONDITIONS (CONTINUED)**C. Reporting Requirements**

1. a. In accordance with the provisions of 401 KAR 50:055, Section 1, the permittee shall notify the Regional Office listed on the front of this permit concerning startups, shutdowns, or malfunctions as follows:
 - i. When emissions during any planned shutdowns and ensuing startups will exceed the standards, notification shall be made no later than three (3) days before the planned shutdown, or immediately following the decision to shut down, if the shutdown is due to events which could not have been foreseen three (3) days before the shutdown.
 - ii. When emissions due to malfunctions, unplanned shutdowns and ensuing startups are or may be in excess of the standards, notification shall be made as promptly as possible by telephone (or other electronic media) and shall be submitted in writing upon request.
- b. The permittee shall promptly report deviations from permit requirements including those attributed to upset conditions (other than emission exceedances covered by Reporting Requirement condition 1. a. above), the probable cause of the deviation, and corrective or preventive measures taken; to the Regional Office listed on the front of this permit within 30 days. Other deviations from permit requirements shall be included in the semiannual report [Material incorporated by reference by 401 KAR 52:040, Section 5, 3].
2. The permittee shall furnish information requested by the Cabinet to determine if cause exists for modifying, revoking and reissuing, or terminating the permit; or to determine compliance with the permit [Material incorporated by reference by 401 KAR 52:040, Section 1a, 6].
3. Summary reports of monitoring required by this permit shall be submitted to the Regional Office listed on the front of this permit at least every six (6) months during the life of this permit. For emission units that were still under construction or which had not commenced operation at the end of the 6-month period covered by the report and are subject to monitoring requirements in this permit, the report shall indicate that no monitoring was performed during the previous six months because the emission unit was not in operation.

The summary reports are due January 30th and July 30th of each year. All deviations from permit requirements shall be clearly identified in the reports. All reports shall be certified by a responsible official pursuant to 401 KAR 52:040, Section 21.

D. Inspections

1. In accordance with the requirements of 401 KAR 52:040, Section 3(1)(f) the permittee shall allow authorized representatives of the Cabinet to perform the following during reasonable times. Reasonable times are defined as during all hours of operation, during normal office hours; or during an emergency:
 - a. Enter upon the premises to inspect any facility, equipment (including air pollution control equipment), practice, or operation.

SECTION C - GENERAL CONDITIONS (CONTINUED)

- b. To access and copy any records required by the permit.
- c. Inspect, at reasonable times, any facilities, equipment (including monitoring and pollution control equipment), practices, or operations required by the permit.
- d. Sample or monitor, at reasonable times, substances or parameters to assure compliance with the permit or any applicable requirements.

E. Emergencies/Enforcement Provisions

- 1. The permittee shall not use as defense in an enforcement action, the contention that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance [Material incorporated by reference by 401 KAR 52:040, Section 1a, 3].
- 2. An emergency shall constitute an affirmative defense to an action brought for the noncompliance with the technology-based emission limitations if the permittee demonstrates through properly signed contemporaneous operating logs or relevant evidence that:
 - a. An emergency occurred and the permittee can identify the cause of the emergency;
 - b. The permitted facility was at the time being properly operated;
 - c. During an emergency, the permittee took all reasonable steps to minimize levels of emissions that exceeded the emissions standards or other requirements in the permit; and
 - d. The permittee notified the Division as promptly as possible and submitted written notice of the emergency to the Division within two working days after the time when emission limitations were exceeded due to the emergency and included a description of the emergency, steps taken to mitigate emissions, and corrective actions taken.
- 3. Emergency provisions listed in General Condition E.2 are in addition to any emergency or upset provision contained in an applicable requirement [401 KAR 52:040, Section 22(1)].
- 4. In an enforcement proceeding, the permittee seeking to establish the occurrence of an emergency shall have the burden of proof. [401 KAR 52:040, Section 22(2)].

F. Compliance

- 1. Periodic testing or instrumental or non-instrumental monitoring, which may consist of record keeping, shall be performed to the extent necessary to yield reliable data for purposes of demonstration of continuing compliance with the conditions of this permit. For the purpose of demonstration of continuing compliance, the following guidelines shall be followed:
 - a. Pursuant to 401 KAR 50:055, General compliance requirements, Section 2(5), all air pollution control equipment and all pollution control measures proposed by the application in response to which this permit is issued shall be in place, properly maintained, and in operation at any time an affected facility for which the equipment and measures are designed is operated, except as provided by 401 KAR 50:055, Section 1.
 - b. All the air pollution control systems shall be maintained regularly in accordance with good engineering practices and the recommendations of the respective manufacturers. A log

SECTION C - GENERAL CONDITIONS (CONTINUED)

- shall be kept of all routine and nonroutine maintenance performed on each control device.
- c. A log of the monthly raw material consumption and monthly production rates shall be kept available at the facility. Compliance with the emission limits may be demonstrated by computer program, spread sheets, calculations or performance tests as may be specified by the Division [401 KAR 50:055, Section 2].
2. Pursuant to 401 KAR 52:040, Section 19, the permittee shall certify compliance with the terms and conditions contained in this permit by January 30th of each year, by completing and returning a Compliance Certification Form (DEP 7007CC) (or an approved alternative) to the Regional Office listed on the front of this permit in accordance with the following requirements:
- Identification of the term or condition;
 - Compliance status of each term or condition of the permit;
 - Whether compliance was continuous or intermittent;
 - The method used for determining the compliance status for the source, currently and over the reporting period, and
 - For an emissions unit that was still under construction or which has not commenced operation at the end of the 12-month period covered by the annual compliance certification, the permittee shall indicate that the unit is under construction and that compliance with any applicable requirements will be demonstrated within the timeframes specified in the permit.
 - The certification shall be postmarked by January 30th of each year. Annual compliance certifications shall be mailed to the following addresses:
- | | |
|--------------------------|--------------------------|
| Division for Air Quality | Division for Air Quality |
| Frankfort Region | Central Files |
| Mark Ritter, Supervisor | 803 Schenkel Lane |
| 643 Teton Trail, STE B | Frankfort, KY 40601-1403 |
| Frankfort, KY 40601-1758 | |
3. Permit Shield - A permit shield shall not protect the owner or operator from enforcement actions for violating an applicable requirement prior to or at the time of permit issuance. Compliance with the conditions of this permit shall be considered compliance with all:
- Applicable requirements that are included and specifically identified in this permit; or
 - Non-applicable requirements expressly identified in this permit [401 KAR 52:040, Section 11].

G. Construction Requirements:

1. Pursuant to 401 KAR 52:040, Section 12(3), unless construction is commenced on or before 18 months after the date of issuance of this permit, or if construction is commenced and then stopped for any consecutive period of 18 months or more, or is not completed within a reasonable timeframe, then the construction and operating authority granted by this permit for those affected facilities for which construction was not completed shall immediately become invalid. Upon a written request, the Cabinet may extend these time periods if the source shows good cause.

SECTION C - GENERAL CONDITIONS (CONTINUED)

2. Pursuant to 401 KAR 52:040, Section 12(4)(a) and 401 KAR 59:005, General provisions, Section 3(1), within 30 days following construction commencement, within 15 days following start-up and attainment of maximum production rate, or within 15 days following the issuance date of this permit, whichever is later, the owner and/or operator of the affected facilities specified on this permit shall furnish to the Regional Office listed on the front of this permit, with a copy to the Division's Frankfort Central Office, the following:
 - a. Date when construction commenced, (See General Condition G.1).
 - b. Start-up date of each of the affected facilities listed on this permit.
 - c. Date when maximum production rate was achieved, (See General Condition G.3.b).
3.
 - a. Pursuant to 401 KAR 59:005, General provisions, Section 2(1), this permit shall allow time for the initial start-up, operation and compliance demonstration of the affected facilities listed herein.
 - b. Pursuant to 401 KAR 59:005, General provisions, Section 3(1)(b), unless notification and justification to the contrary are received by this Division, the date of achieving the maximum production rate at which the affected facilities will be operated shall be deemed to be 30 days after initial start-up.
 - c. Pursuant to 401 KAR 50:045, Section 2, a source required to conduct a performance test shall submit a completed Compliance Test Protocol form, DEP form 6028, or a test protocol a source has developed for submission to other regulatory agencies, in a format approved by the cabinet, to the Division's Frankfort Central Office a minimum of sixty (60) days prior to the scheduled test date. Pursuant to 401 KAR 50:045, Section 7, the Division shall be notified of the actual test date at least Thirty (30) days prior to the test.
 - d. Pursuant to 401 KAR 50:045 Section 5 in order to demonstrate that a source is capable of complying with a standard at all times, a performance test shall be conducted under normal conditions that are representative of the source's operations and create the highest rate of emissions. If [When] the maximum production rate represents a source's highest emissions rate and a performance test is conducted at less than the maximum production rate, a source shall be limited to a production rate of no greater than 110 percent of the average production rate during the performance tests. If and when the facility is capable of operation at the rate specified in the application, the source may retest to demonstrate compliance at the new production rate. The Division for Air Quality may waive this requirement on a case-by-case basis if the source demonstrates to the Division's satisfaction that the source is in compliance with all applicable requirements.
4. Operation of the affected facilities authorized by this permit shall not commence until compliance with applicable standards specified herein has been demonstrated in accordance with the requirements of 401 KAR 52:040, Section 12(4)(b). Until compliance is demonstrated, the source may only operate for the purpose of demonstrating compliance.

SECTION D - INSIGNIFICANT ACTIVITIES

The following listed activities have been determined to be insignificant activities for this source pursuant to 401 KAR 52:040, Section 6. While these activities are designated as insignificant the permittee shall comply with the applicable regulation and any level of periodic monitoring specified below.

DescriptionGenerally Applicable RegulationUnit U-1, Symmetrical Barrel Faced Keystone Ring

1. Coiling Cutting-Off	401 KAR 59:010
2. Heat Treatment	None
3. Finishing of gap face	401 KAR 59:010
4. Deburring of outside and edge of gap	401 KAR 59:010
5. Finishing of side face	401 KAR 59:010
6. Gas Nitriding	None
7. Removing of white layer	None
8. Buff-Polishing	401 KAR 59:010
9. Dry Honing	401 KAR 59:010
10. Pre-PVD Cleaning	None
11. PVD	None
12. Finishing/Chamfering of gap face (2)	401 KAR 59:010
13. Chamfering of inside edge of gap	401 KAR 59:010
14. Finishing of side face (2)	401 KAR 59:010
15. Finishing of keystone face	401 KAR 59:010
16. Laser Marking	None
17. Rust Prevention	None
18. Surface Treatment (Caustic Soda)	None

Unit U-2, Taper Faced Rectangular Ring

1. Coiling	401 KAR 59:010
2. Cutting-Off	401 KAR 59:010
3. Deburring of inside and peripheral edges of gap	401 KAR 59:010
4. Finishing of gap face (2)	401 KAR 59:010
5. LP (1)	401 KAR 59:010
6. Peripheral Taper Grinding	401 KAR 59:010
7. Surface Treatment (Zinc Phosphate)	None

SECTION D - INSIGNIFICANT ACTIVITIES (CONTINUED)

Unit U-3, Coil-Spring-Loaded Oil Control Ring

1. Coiling	401 KAR 59:010
2. Deburring of inside and peripheral edges of gap	401 KAR 59:010
3. Acid Cleaning	None
4. LP	401 KAR 59:010
5. Finishing of gap face	401 KAR 59:010

Unit U-4, Expander/Segment Assembly Oil Control Ring

1. Coiling	401 KAR 59:010
2. Cutting-Off and Chamfering	401 KAR 59:010
3. Peripheral Surface LP	401 KAR 59:010
4. Cutting-Off	401 KAR 59:010